

Order 97-5-6

UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION OFFICE OF THE SECRETARY WASHINGTON, D.C.

Served: May 15, 1997

Issued by the Department of Transportation on the 12th day of May, 1997

Applications of

Air Micronesia, Inc.

Alaska Airlines, Inc.

American Airlines, Inc.

Federal Express Corporation

Northwest Airlines, Inc.

Polar Air Cargo, Inc.

United Parcel Service Co.

for exemptions or authorities under 49 U.S.C. section 40109 and the orders and regulations of the Department of Transportation

Dockets	OST-97-2195* -	. <i>H</i>

OST-97-2150 3

OST-96-1141* 6

OST-97-2154* 4

OST-97-2209 4 OST-96-1273* 4

OST-96-1272 5

OST-96-1270* 3

OST-97-2205 2

OST-97-2225 3

ORDER

The captioned U.S. air carriers have applied for various forms of authority or relief from Title 49 of the U.S. Code or regulations or orders of the Department in order to

^{*}The reference Notices contain minor editorial or technical changes from the Notices originally issued. Any changes that we may have made are nonsubstantive in nature and do not affect the authority described in the original Notice in question. To the extent that, following the issuance of a confirmation order, parties or other persons have need to rely on the content of a Notice of Action Taken, they should regard the language in the Notice attached to the order, rather than the language of the original Notice, as the language that the Department is in fact confirming.

perform the air transportation activities shown in the attached Notices of Action Taken. Except as noted, no answers were filed to these requests. Because of the imminence of these operations, we approved them by telephone, subject to adherence, by each applicant, to the conditions set forth in its certificate(s) of public convenience and necessity, and/or conditions attached.

We carefully considered the information set forth in each application described in the attached Notices of Action Taken, and we found that each of the proposed operations was consistent with the public interest and was consistent with an applicable bilateral aviation agreement and/or the aviation relationship between the United States and the foreign country involved, that each applicant was qualified to perform its proposed operations, and that each application should be approved.

Under authority assigned by the Department in its Regulations, 14 CFR Part 385, we found that for each operation (1) immediate action was required and was consistent with Department policy; (2) grant of the exemption or authority was consistent with the public interest; and (3) grant of this authority would not constitute a major regulatory action under the Energy Policy and Conservation Act of 1975.

ACCORDINGLY.

- 1. We confirm the actions described in the attached Notices of Action Taken, which granted the referenced U.S. air carriers (1) exemptions from the provisions of Section 41101 and where necessary 41504 or as noted in the attached notices, other sections of Title 49 U.S.C.; or (2) relief or authorizations as provided for under regulations or orders of the Department, to the applicants to perform the operations described in the attached Notices of Action Taken;
- 2. In the conduct of the service, each applicant was to adhere to the conditions set forth in the Appendix, and to any other conditions as noted in the attached Notices of Action Taken;
- 3. To the extent not granted, or explicitly deferred as noted in the attached Notices of Action Taken, these applications are denied; and
- 4. We may amend, modify, or revoke this order at any time without hearing.

On the basis of data officially noticeable under Rule 24(n) of the Department's regulations, we found that each U.S. air carrier applicant for an operating exemption is qualified to provide the services authorized.

Persons entitled to petition the Department for review of this order under the Department's Regulations, 14 CFR 385.50, may file their petitions within ten (10) days after the date of service of this order. The filing of a petition for review of a particular action shall affect this order only as it concerns that action.

These actions were effective when taken, and the filing of a petition for review will not alter their effectiveness.

By:

PAUL L. GRETCH
Director
Office of International Aviation

(SEAL)

<u>U.S. Carrier</u> <u>Standard Exemption Conditions</u>

In the conduct of the operations authorized by the attached order, the applicant(s) shall:

- (1) Hold at all times effective operating authority from the government of each country served;
- (2) Comply with applicable requirements concerning oversales contained in 14 CFR 250 (for scheduled operations, if authorized);
- (3) Comply with the requirements for reporting data contained in 14 CFR 241:
- (4) Comply with the requirements for minimum insurance coverage, and for certifying that coverage to the Department, contained in 14 CFR 205:
- (5) Comply with the requirements of 14 CFR 203, concerning waiver of Warsaw Convention liability limits and defenses;
- (6) Comply with the applicable requirements of the Federal Aviation Administration Regulations; and
- (7) Comply with such other reasonable terms, conditions, and limitations required by the public interest as may be prescribed by the Department of Transportation, with all applicable orders and regulations of other U.S. agencies and courts, and with all applicable laws of the United States.

The authority granted or confirmed by the attached order shall be effective only during the period when the holder is in compliance with the conditions imposed above.



NOTICE OF ACTION TAKEN

March 28, 1997
bed below, taken orally by the Department ument will be issued as soon as possible.
<u>'97</u> in Docket <u>OST-97-2195</u> for:
uam and Thailand via intermediate points five weekly all-cargo frequencies for this 1997, unless Air Micronesia commences in that condition to the extent necessary to air Micronesia states that because of ing market conditions, the optimum date test Airlines filed an answer stating that it at its own application for extension of the The Department granted Northwest's
T analyst: Sylvia Moore, 202-366-6519
7, through September 1, 1997
Paul L. Gretch, Director Office of International Aviation

Remarks: The 90-day dormancy period will begin September 1, 1997, Air Micronesia's proposed new start-up date for its Thailand service.



NOTICE OF ACTION TAKEN

Office of the Secretary of Transportation

OF IRANSPORTATION	,
•	March 17, 1997
This serves as interim notice to the public of the action de official indicated; the confirming order or other decision of	
Application of Alaska Airlines, Inc. filed 2/2	24/97 in Docket <u>OST-97-2150</u> for:
\dot{XX} Exemption under 49 U.S.C. 40109 to provide the fol	lowing service:
Scheduled foreign air transportation of persons, prope United States and any point in Canada.	erty, and mail between any point in the
Applicant rep.: Marshall S. Sinick 202-626-6651	DOT analyst: Sylvia Moore, 202-366-6519
DISPOSITIO	ON
XX Granted (Subject to conditions, see below)	
The above action was effective when taken: March 14, until 90 days after final Department action on Alaska's ce whichever occurs earlier)	
XX Under assigned authority (14 CFR 385) by:	Paul L. Gretch, Director Office of International Aviation (Petitions for review may be filed from now until 10 days after the confirming order/letter issues. Filing of a petition shall not stay the effectiveness of this action.)
XX Authority granted is consistent with the aviation a and Canada signed on February 24, 1995.	agreement between the United States and
Except to the extent exempted or waived, this authority is indicated:	subject to the terms, conditions, and limitation
XX Holder's certificate of public convenientXX Standard Exemption Conditions (attack)	
Conditions: Under the U.SCanada aviation agreement s not commence new combination service to Toronto until a	



NOTICE OF ACTION TAKEN

March 20, 1997

This serves as interim notice to the public of the action description official indicated; the confirming order or other decision documents	
Application ofAmerican Airlines Incfiled	<u> 17/97</u> in Docket <u>OST-96-1141</u> for:
XX Renew for two years allocation of seven weekly frequency service between Miami, Florida, and Grand Cayman, Ca	
Applicant rep.: Carl B. Nelson, 202-496-5647 DOT a	malyst: Sylvia Moore, 202-366-6519
DISPOSITION	T.
XX Granted (Subject to conditions, see below) XX Balance dismissed	
The above action was effective when taken: March 20, 19	97, through March 20, 1998
XX Under assigned authority (14 CFR 385) by:	Paul L. Gretch, Director Office of International Aviation (Petitions for review may be filed from now until 10 days after the confirming order/letter issues. Filing of a petition shall not stay the effectiveness of this action.)
XX Authority granted is consistent with the aviation agr United Kingdom.	reement between the United States and the
Except to the extent exempted or waived, this authority is suitindicated: XX Holder's certificate of public convenience XX Standard Exemption Conditions (attached)	and necessity
Conditions: Consistent with our standard practice, the freque condition that it will expire automatically and the frequencies reallocation if they are not used for 90 days.	
Remarks: As the current exchange of letters between the Ur	nited States and the United Kingdom

governing frequencies between Miami and Grand Cayman expires March 31, 1998, we dismissed without prejudice to refiling American's request for longer-term authority (*i.e.*, for the second year).



of Transportation

NOTICE OF ACTION TAKEN

March 21, 1997

This serves o	interim	notice to	the public	of the	action a	escribed	below,	taken o	rally by	the	Department
official indic	ated; the	confirming	g order or	other	decision	documen	it will b	e issuei	d as soo.	n as	possible.

Application of Federal Express Corporation filed 2/25/97 in Docket OST-97-2154 for:

XX Exemption from Order 96-9-16; startup deadline:

By Order 96-9-16 the Department allocated Federal Express five weekly frequencies to expand its U.S.-Thailand all-cargo operations. That award was subject to the condition that it will expire automatically and the frequencies will revert back to the Department for reallocation if they are not used for a period of 90 days. Under the terms of the order Federal Express' frequency allocation would expire on April 1, 1997, if Federal Express did not begin service by that date. Federal Express seeks exemption from that condition to the extent necessary to extend its proposed start-up date to September 1, 1997. Federal Express states that because of delays in completing operational arrangements and existing market conditions, the optimum date to commence its operations is September 1, 1997. Northwest Airlines filed an answer stating that it did not object to Federal Express' application provided that its own application for extension of the startup deadline in Docket OST-97-2209 was also granted. The Department granted Northwest's application on March 28, 1997.

Applicant rep.: Nathaniel P. Breed (202) 663-8078 DOT analyst: Sylvia Moore, 202-366-6519

DISPOSITION

XX Granted (see below)

The above action was effective when taken: March 21, 1997, through September 1, 1997

XX Under assigned authority (14 CFR 385) by:

Paul L. Gretch, Director
Office of International Aviation
(Petitions for review may be filed from now until
10 days after the confirming order/letter issues.
Filing of a petition shall not stay the effectiveness of this action.)

Remarks: The 90-day dormancy period will begin September 1, 1997, Federal Express' proposed new start-up date for its Thailand service.



NOTICE OF ACTION TAKEN

	March 28, 1997
This serves as interim notice to the public of the action of official indicated; the confirming order or other decision	
Application of Northwest Airlines, Inc. filed	i <u>3/12/97</u> in Docket <u>OST-97-2209</u> for:
XX Exemption from Order 96-9-16; startup deadline:	
By Order 96-9-16 the Department allocated Northweits U.SThailand all-cargo operations. That award automatically and the frequencies will revert back to used for a period of 90 days. Under the terms of the expire on April 1, 1997, if Northwest did not begin s exemption from that condition to the extent necessar September 1, 1997. Northwest states that because of arrangements, and existing market conditions, the of September 1, 1997.	was subject to the condition that it will expire the Department for reallocation if they are not e order, Northwest's frequency allocation would service by that date. Northwest seeks by to extend its proposed start-up date to f delays in completing operational ptimum date to commence its operations is
Applicant rep. Megan Rae Poldy (202) 842-3193	DOT analyst:Sylvia Moore, 202-366-6519
DISPOSIT	TION
XX Granted (see below)	
The above action was effective when taken: March 2	8, 1997, through September 1, 1997
XX Under assigned authority (14 CFR 385) by:	Paul L. Gretch, Director Office of International Aviation (Petitions for review may be filed from now until 10 days after the confirming order/letter issues. Filing of a petition shall not stay the effectiveness of this action.)

Remarks: The 90-day dormancy period will begin September 1, 1997, Northwest's proposed new start-up date for its Thailand service.



NOTICE OF ACTION TAKEN

Office of the Secretary of Transportation

March 13, 1997

This serves as interim notice to the public of the action official indicated; the confirming order or other decision	
Application of Northwest Airlines Inc. file	d <u>4/17/96</u> in Docket <u>OST-96-1273</u> for:
XX Renew for two years exemption under 49 U.S.C. 4	0109 to provide the following service:
Scheduled foreign air transportation of persons, pro United States and Mumbai and Delhi, India, via Am service pursuant to a code-share arrangement with I answer stating that it had no objection as long as gra United from offering the same service in the U.SIn	sterdam. Northwest plans to operate this XLM Royal Dutch Airlines. United filed an ant of Northwest's request did not preclude
Applicant rep.: Megan Rae Poldy, 202-842-3193	_DOT analyst:Sylvia Moore, 202-366-6519
DISPOST	TION
XX Granted (Subject to conditions, see below)	
The above action was effective when taken: March 1.	3, 1997. through <u>March 3, 1999</u>
XX Under assigned authority (14 CFR 385) by:	Paul L. Gretch, Director Office of International Aviation (Petitions for review may be filed from now until 10 days after the confirming order/letter issues. Filing of a petition shall not stay the effectiveness of this action.)
XX Authority granted is consistent with the aviation	agreements between the United States and

Except to the extent exempted or waived, this authority is subject to the terms, conditions, and limitations indicated:

XX Holder's certificate of public convenience and necessity

XX Standard Exemption Conditions (attached)

(See Reverse Side)

Conditions: The code-sharing operations authorized herein must comply with 14 CFR 399.88 of the Department's regulations and any amendments to the Department's regulations concerning code-share arrangements that may be adopted and are expressly conditioned upon the requirements that the subject foreign air transportation be sold in the name of the carrier holding out such service in the computer reservation systems and elsewhere, that the carrier selling such transportation accept all obligations established in its contract of carriage with the passenger (i.e., the ticket) and that the operator shall not permit the code of its U.S. carrier code-sharing partner to be carried on any flight that enters, departs, or transits, the airspace of any area for whose airspace the Federal Aviation Administration has issued a flight prohibition.

Remarks: The authority granted is coextensive with the duration of the statement of authorization granted KLM on March 13, 1997.

The authority for which Northwest requested renewal expired June 16, 1996, but had been kept in force pursuant to the provisions of the Administrative Procedure Act, 5 U.S.C. 558(c), as implemented by 14 CFR Part 377, pending action on Northwest's renewal application.

Regarding United's concerns, by Order 97-2-26 the Department selected Delta, Northwest, and United to provide U.S.-India third-country code-share services. In light of that decision, our grant of Northwest's request here did not preclude United from offering U.S.-India code-share service with Lufthansa.



NOTICE OF ACTION TAKEN

Office of the Secretary of Transportation

March 13, 1997

This serves as interim notice to the public of the action of official indicated; the confirming order or other decision	
Application of Northwest Airlines Inc. filed	d <u>4/17/96</u> in Docket <u>OST-96-1272</u> for:
XX Renew for two years exemption under 49 U.S.C. 46	0109 to provide the following service:
Scheduled foreign air transportation of persons, projunited States and Warsaw, Poland, via Amsterdam. pursuant to a code-share arrangement with KLM Rostating that it had no objection as long as grant of No from offering code-share service in the U.SPoland in	Northwest plans to operate this service by Dutch Airlines. United filed an answer orthwest's request did not preclude United
Applicant rep.: Megan Rae Poldy, 202-842-3193	_DOT analyst:Svlvia Moore, 202-366-6519
DISPOSIT	TION
XX Granted (in part, see below) XX Balance dismissed	
The above action was effective when taken: March 13	3, 1997, through October 31, 1998
XX Under assigned authority (14 CFR 385) by:	Paul L. Gretch, Director Office of International Aviation (Petitions for review may be filed from now until 10 days after the confirming order/letter issues. Filing of a petition shall not stay the effectiveness of this action.)
XX Authority granted is consistent with the aviation Poland and the United States and the Netherlands.	agreements between the United States and
Except to the extent exempted or waived, this authority indicated: XX Holder's certificate of public convenients XX Standard Exemption Conditions (atta	ence and necessity

(See Reverse Side)

Conditions: The code-sharing operations authorized herein must comply with 14 CFR 399.88 of the Department's regulations and any amendments to the Department's regulations concerning code-share arrangements that may be adopted and are expressly conditioned upon the requirements that the subject foreign air transportation be sold in the name of the carrier holding out such service in the computer reservation systems and elsewhere, that the carrier selling such transportation accept all obligations established in its contract of carriage with the passenger (i.e., the ticket) and that the operator shall not permit the code of its U.S. carrier code-sharing partner to be carried on any flight that enters, departs, or transits, the airspace of any area for whose airspace the Federal Aviation Administration has issued a flight prohibition.

Remarks: The authority granted is coextensive with the duration of the frequencies allocated to Northwest in Order 97-2-16. We dismissed without prejudice to refiling Northwest's request for longer-term authority (*i.e.* for the second year).

The authority for which Northwest requested renewal expired June 16, 1996, but had been kept in force pursuant to the provisions of the Administrative Procedure Act, 5 U.S.C. 558(c), as implemented by 14 CFR Part 377, pending action on Northwest's renewal application.

Regarding United's concerns, by Orders 96-7-37 and 96-8-34 the Department selected Northwest and United for the two available designations to serve Poland under code-share arrangements with third-country carriers, and allocated each carrier seven weekly frequencies for its services. By Order 97-2-16 the Department allocated Northwest and United each seven additional frequencies effective November 1, 1997, for their third-country code-share services in the U.S.-Poland market. In light of that decision, our grant of Northwest's request here did not preclude United from offering U.S.-Poland code-share services with Lufthansa.



NOTICE OF ACTION TAKEN

Office of the Secretary of Transportation

	March 17, 1997
This serves as interim notice to the public of the action described official indicated; the confirming order or other decision do	· · · · · · · · · · · · · · · · · · ·
Application of Northwest Airlines Inc. filed	<u>4/17/96</u> in Docket <u>OST-96-1270</u> for:
XX Renew for two years exemption under 49 U.S.C. 4010	9 to provide the following service:
Scheduled foreign air transportation of persons, propert United States, on the one hand, and Abu Dhabi, United Greece; Nairobi, Kenya; Jeddah and Dhahran, Saudi A Kuwait, Kuwait; Karachi, Pakistan; Colombo, Sri Lank Toulouse, France; Budapest, Hungary; and Moscow and Amsterdam. Northwest plans to operate this service put KLM Royal Dutch Airlines.	Arab Emirates; Vienna, Austria; Athens, rabia; Istanbul, Turkey; Cairo, Egypt; ca; Lyon, Marseille, Nice, Strasbourg and I St. Petersburg, Russia, on the other, via
Applicant rep.: Megan Rae Poldy, 202-842-3193 DO	OT analyst: Sylvia Moore, 202-366-6519
DISPOSITIO	V
XX Granted (in part, see below) XX Balance dismissed	
The above action was effective when taken: March 14, 1	997, through June 26, 1998
XX Under assigned authority (14 CFR 385) by:	Paul L. Gretch, Director Office of International Aviation (Petitions for review may be filed from now until 10 days after the confirming order/letter issues. Filing of a petition shall not stay the effectiveness of this action.)
\underline{XX} Authority granted is consistent with the overall state agreements between the United States and the foreign consistent with the overall state and the foreign consistent with the overall state agreements between the United States and the foreign consistent with the overall state agreements between the United States and the foreign consistent with the overall state agreements between the United States and the foreign consistent with the overall state agreements between the United States and the foreign consistent with the overall state agreements between the United States and the foreign consistent with the overall state agreements between the United States and the foreign consistent with the overall state agreements between the United States and the foreign consistency agreements agreement with the overall state agreement with the overall	
Except to the extent exempted or waived, this authority is stindicated: XX Holder's certificate of public convenience XX Standard Exemption Conditions (attache)	e and necessity
(San Daylanca S	

(See Reverse Side)

Conditions: The code-sharing operations authorized herein must comply with 14 CFR 399.88 of the Department's regulations and any amendments to the Department's regulations concerning code-share arrangements that may be adopted and are expressly conditioned upon the requirements that the subject foreign air transportation be sold in the name of the carrier holding out such service in the computer reservation systems and elsewhere, that the carrier selling such transportation accept all obligations established in its contract of carriage with the passenger (i.e., the ticket) and that the operator shall not permit the code of its U.S. carrier code-sharing partner to be carried on any flight that enters, departs, or transits, the airspace of any area for whose airspace the Federal Aviation Administration has issued a flight prohibition.

Remarks: Consistent with our standard practice with respect to the Northwest/KLM code-share services, the authority granted is coextensive with the duration of the statement of authorization granted KLM on June 26, 1996. We dismissed without prejudice to refiling Northwest's request for longer-term authority (*i.e.* for the second year).

The authority for which Northwest requested renewal expired June 16, 1996, but had been kept in force pursuant to the provisions of the Administrative Procedure Act, 5 U.S.C. 558(c), as implemented by 14 CFR Part 377, pending action on Northwest's renewal application.



NOTICE OF ACTION TAKEN

	March 28, 1997
This serves as interim notice to the public of the action official indicated; the confirming order or other decis	
Application of Polar Air Cargo, Inc. fi	led <u>3/11/97</u> in Docket <u>OST-97-2205</u> for:
$\overline{ extbf{XX}}$ Exemption from Order 96-9-16; startup deadline	z:
By Order 96-9-16 the Department issued Polar Air necessity to provide scheduled all-cargo service bet a point or points in Thailand (Route 705), and allo By its terms, the certificate would expire April 1, date. Polar will commence service with one of the With respect to the second frequency, Polar seeks necessary to extend its proposed start-up date to Shigh demand for its scheduled 747-F cargo service extend a U.SIndia flight beyond Delhi to Bangko date to commence operations for the second frequency.	tween a point or points in the United States, and ocated it two weekly frequencies for these services. 1997, unless Polar commences service by that two frequencies by the April 1 start-up date. exemption from that condition to the extent eptember 1, 1997. Polar states that unexpected from India to New York make it impractical to k as originally planned. Polar states the optimum
Applicant rep.: Alfred J. Eichenlaub (202) 637-90	034 DOT analyst: Sylvia Moore, 202-366-6519
DISPOS	SITION
XX Granted (see below)	
The above action was effective when taken: <u>March</u>	28, 1997, through September 1, 1997
XX Under assigned authority (14 CFR 385) by:	Paul L. Gretch, Director Office of International Aviation (Petitions for review may be filed from now until 10 days after the confirming order/letter issues.

Remarks: The 90-day dormancy period will begin September 1, 1997, Polar's proposed new start-up date for its second U.S.-Thailand all-cargo frequency.



NOTICE OF ACTION TAKEN

	March 28, 1997
This serves as interim notice to the public of the action of of the indicated; the confirming order or other decises.	
Application of United Parcel Service Co.	filed <u>3/14/97</u> in Docket <u>OST-97-2225</u> for:
\underline{XX} Exemption from Order 96-9-16; startup deadline	g.:
for services in the U.SThailand market. That avexpire automatically and the frequencies will reverare not used for a period of 90 days. Under the towould expire on April 1, 1997, if UPS did not begive service with one of the six frequencies by the Aprifrequencies, UPS seeks exemption from that condistant-up date to September 1, 1997. UPS states the Taiwan, and the U.S. and Thai governments are withese circumstances, UPS states that the optimum frequencies is September 1, 1997.	rt back to the Department for reallocation if they erms of the order, UPS' frequency allocation in service by that date. UPS will commence it I start-up date. With respect to the other five ition to the extent necessary to extend its proposed hat it will be serving Thailand over Taipei, working to resolve certain customs issues. In
Applicant rep.: David L. Vaughan (202) 955-96	00 DOT analyst: Sylvia Moore, 202-366-6519
DISPO	SITION
XX Granted (see below)	
The above action was effective when taken: March	128, 1997, through September 1, 1997
XX Under assigned authority (14 CFR 385) by:	Paul L. Gretch, Director Office of International Aviation (Petitions for review may be filed from now until 10 days after the confirming order/letter issues. Filing of a petition shall not stay the effectiveness of this action.)

Remarks: The 90-day dormancy period will begin September 1, 1997, UPS' proposed new start-up date for five of its U.S.-Thailand all-cargo frequencies.

We acted on this application without awaiting expiration of the 15-day answer period with the consent of all parties served the application.